

1 And so it was my view that selling OTC  
2 had a negative impact both on the liquidity in the  
3 market and the price of XRP.

4 Q. And why were you telling Mr. [REDACTED] this?

5 A. I was conveying my -- my views on the  
6 market at the time.

7 Q. Were you communicating to Mr. [REDACTED] that  
8 the XRP that he would be purchasing would go up in  
9 price once Ripple stopped doing OTC sales?

10 MR. HORTON: Objection to form.

11 A. As I said earlier, I thought the highest  
12 probability of the outcome was that it goes to  
13 zero, but I thought -- these were my -- my views  
14 of the market at this given point in time.

15 Q. Well, at this point in time you thought  
16 that the -- the -- stopping the OTC sales would  
17 have a bullish effect on price, right?

18 A. Yes, I did think that there was a cause  
19 and effect there.

20 Q. Okay. Did [REDACTED] ultimately buy this  
21 \$500,000 of XRP?

22 A. From this e-mail, it seems like that  
23 likely happened, but I don't recall if the  
24 transaction was consummated.

25 MS. STEWART: Okay. Let's look

1 at another document, PR-40.

2 (Whereupon, exhibit is presented  
3 and marked SEC Rapoport Exhibit PR-40 for  
4 identification.)

5 MS. STEWART: And PR-40 is Bates  
6 numbered [REDACTED] 2297. It's a one-page  
7 document.

8 (Pause)

9 THE WITNESS: Okay. I've read  
10 it.

11 BY MS. STEWART:

12 Q. Okay. So this -- this e-mail, PR-40,  
13 appears to be one day after the e-mail we looked  
14 at in PR-39.

15 Does this refresh your recollection as  
16 to whether [REDACTED] bought \$500,000 or whether it  
17 ultimately bought a million dollars, or perhaps  
18 these were separate transactions? If you  
19 remember.

20 MR. HORTON: Objection to form.

21 A. Given that this was seven years ago, I  
22 don't have specific recollection of -- of how  
23 these days went down and whether these  
24 transactions occurred. From this e-mail, it looks  
25 like they agreed to purchase \$1 million worth of

1 XRP on September 11th, 2014. I'm not sure if that  
2 was in addition to or in -- you know, in lieu of  
3 the prior day's e-mail.

4 Q. Okay. So this transaction that's  
5 referenced in PR-40 includes a [REDACTED]  
6 and [REDACTED] is that right?

7 A. That's what the e-mail says.

8 Q. Okay. And why was no lockup included  
9 for this transaction?

10 A. I don't recall what the circumstances  
11 were surrounding the discussions outside of this  
12 e-mail.

13 Q. Was it your understanding that when  
14 buying at a [REDACTED]  
15 [REDACTED] would immediately sell the XRP?

16 MR. HORTON: Objection to form.

17 MS. BUNTING: Objection.

18 A. Generally speaking, I think there's a  
19 lesser incentive to act that way if you hold more  
20 of an asset because selling \$100,000 immediately  
21 could negatively impact the other [REDACTED] that  
22 someone holds. That's a general statement. I  
23 don't have any specific knowledge or recollection  
24 about what -- what [REDACTED] did to say.

25 Q. Did you have any discussions with

1 Mr. [REDACTED] about what [REDACTED] intent was with respect  
2 to the million dollars in XRP it was buying?

3 A. I don't recall what discussions we did  
4 or didn't have that day.

5 Q. Do you recall discussions generally  
6 with -- with him about what [REDACTED] intended to do  
7 with the XRP it was purchasing?

8 A. I do remember having a number of  
9 discussions with him over the course of a long  
10 period of time. I don't remember whether or not  
11 he expressed to me what his intent was with --  
12 with the XRP that he purchased.

13 Q. Whether or not he expressed it to you,  
14 did you have an understanding of what his intent  
15 was with respect to the XRP he was purchasing?

16 A. I understood him to be a speculator.

17 Q. Okay. And did you understand him to be  
18 a long-term speculator or a short-term speculator?

19 MR. HORTON: Objection to form.

20 MS. BUNTING: Objection.

21 A. Based on the information available to me  
22 at the time, I -- I viewed him as -- as a likely  
23 long-term -- having a long-term interest in the  
24 technology and a long-term speculator.

25 Q. And what information are you referring

1 to?

2 A. A synthesis of information from a number  
3 of conversations over time.

4 Q. Did Ripple place any restrictions on the  
5 resale of the XRP that it was selling to [REDACTED]?

6 MR. GULAY: Objection;

7 foundation.

8 A. I'm not aware of any restrictions that  
9 Ripple placed on it, no.

10 Q. Okay.

11 MS. STEWART: Can you look at

12 PR-41 next, please?

13 (Whereupon, exhibit is presented  
14 and marked SEC Rapoport Exhibit PR-41 for  
15 identification.)

16 MS. STEWART: And PR-41 is Bates  
17 numbered [REDACTED] 1489 to 1490.

18 (Pause)

19 THE WITNESS: Okay.

20 BY MS. STEWART:

21 Q. Looking at the bottom e-mail in the  
22 chain from Mr. [REDACTED] to you, which is on the second  
23 page of the document, here he says "I believe I  
24 can buy 4 MM by year end, I bought 3 MM USD  
25 already."

1 Do you see that?

2 A. Yes.

3 Q. Does this refresh your recollection that  
4 [REDACTED] bought \$3 million of XRP as of September 20,  
5 2014?

6 A. This e-mail implies -- certainly implies  
7 that, yes.

8 Q. Okay. But you don't have a recollection  
9 one way or the other?

10 A. I don't recall whether he bought it from  
11 Ripple, in the market through others or how -- how  
12 and when or how much he purchased, no.

13 Q. Okay. Then looking at your response to  
14 him, which is on the first page of the document,  
15 you say "As I mentioned previously, we hope to  
16 stop these 'OTC' sales after our funding round  
17 officially closes and" we're no longer -- "we are  
18 no longer reliant on XRP sales to help fund the  
19 company (at least for a period of several" --  
20 "several years)."

21 Do you see that?

22 A. Yes.

23 Q. Okay. So -- and I think you said this  
24 before, but is it the case that -- that OTC sales  
25 at some point were -- were used to help fund

1 Ripple?

2 MR. GULAY: Objection.

3 A. Reading this e-mail, it -- it appears  
4 that that was my belief at the time, yes.

5 Q. Okay. And the next sentence, where you  
6 say "I think the OTC sales hurt our efforts  
7 elsewhere - it removes demand from the market and  
8 also makes for lower volume," is that the same  
9 concept that you've discussed already today about  
10 your view about OTC sales not being helpful for  
11 liquidity?

12 A. Yes.

13 MS. BUNTING: Objection.

14 Q. And then you say "If we satisfy every  
15 large buyer, then XRP will never rally."

16 What do you mean by that?

17 A. This is the same dynamic referenced in  
18 the preceding sentence and it was discussed about  
19 OTC sales dynamics.

20 Q. And were you explaining this -- this to  
21 Mr. [REDACTED] -- because, as a speculator, he wanted  
22 XRP to rally?

23 MR. HORTON: Objection to form.

24 MR. GULAY: Objection.

25 A. Reading the following paragraph, where I

1     asked "Do you have a sense of the size that the  
2     Chinese buyers are interested in? Perhaps we can  
3     do a big final block before we close the OTC  
4     window," it seems I may have been debating whether  
5     we should force that buyer or encourage that buyer  
6     to go into the market to purchase the XRP  
7     independently of Ripple Labs.

8           Q.     And was that related to the desire to --  
9     the desire for the XRP price to rally?

10           MR. HORTON:   Objection to form.

11           A.     As I said earlier, I -- I thought that  
12     OTC sales hurt liquidity, market liquidity, as  
13     well as price.

14           Q.     Did Ripple, in fact, stop selling XRP  
15     after this funding round that's referenced in your  
16     e-mail?

17           MR. HORTON:   Objection to form.

18           A.     I don't recall whether I had information  
19     one way or another and I certainly didn't have  
20     full transparency into Ripple's XRP sales to  
21     answer that definitively.

22           Q.     Do you have a general memory as to  
23     whether Ripple continued to sell XRP during your  
24     tenure at Ripple?

25           MR. GULAY:   Objection. What do

1           you mean, "selling XRP"? OTC or just  
2           generally?

3                   MS. STEWART: Yes, I'm talking  
4           about over-the-counter sales right now.

5           A. I would be guessing because without more  
6           information, I couldn't even tell you what the  
7           date of the Series A round was given how much time  
8           has passed.

9                   MS. STEWART: Okay. Can we look  
10          at PR-44 next?

11                   (Whereupon, exhibit is presented  
12          and marked SEC Rapoport Exhibit PR-44 for  
13          identification.)

14                   MS. STEWART: And PR-44 is Bates  
15          numbered RPLI\_SEC 199575 to 576.

16                   (Pause)

17                   THE WITNESS: Okay.

18          BY MS. STEWART:

19           Q. Okay. So in this e-mail you are talking  
20          with Mr. Larsen, Mr. Griffin, and others about a  
21          deal with [REDACTED] that would bring their total XRP  
22          purchase -- purchases to \$10 million, is that  
23          right?

24           A. Yes.

25           Q. Okay. And -- and the deal would include

1 a [REDACTED] and a [REDACTED]?

2 A. Yes.

3 Q. Okay. And do you see in the first --  
4 the second e-mail in the chain where Mr. Larsen  
5 says "Yes, I'm moving forward here - the lockup is  
6 great"? Do you see that?

7 A. Yes.

8 Q. Did Mr. Larsen approve every OTC  
9 transaction?

10 MS. BUNTING: Objection.

11 A. I only saw the details of what I thought  
12 were a subset of the OTC transactions. And I  
13 generally recall Mr. Larsen approving them, but I  
14 don't have a good enough memory to say he did or  
15 did not approve every transaction that I was  
16 involved in.

17 Q. Okay. And Mr. Larsen says here "the  
18 lockup is great."

19 Do you have an understanding of what he  
20 means by that?

21 A. I think he preferred having a lockup in  
22 place to having no lockup in place.

23 Q. And what's your understanding of why he  
24 preferred that?

25 A. In general, I think we all shared a

1 preference for the price of XRP to rise rather  
2 than fall and there was a risk that large holders  
3 buying at a discount could sell at the market  
4 price to arbitrage a smaller large profit or a  
5 significant profit.

6 MS. STEWART: Can we look at  
7 PR-52 next?

8 And PR-52 is Bates numbered  
9 RPLI\_SEC 199556 to 561.

10 (Whereupon, exhibit is presented  
11 and marked SEC Rapoport Exhibit PR-52 for  
12 identification.)

13 (Pause)

14 MR. GULAY: I just want to note  
15 for the record there appears to be a page  
16 missing. It skips from 557 to 559.

17 MS. STEWART: Okay. I think  
18 there was another attachment that was not  
19 a substantive one that I didn't print, but  
20 I can't be sure of that.

21 MR. GULAY: Okay. Noted.

22 THE WITNESS: Okay. I've  
23 reviewed it.

24 BY MS. STEWART:

25 Q. Okay. So this appears to be an e-mail

1 from Mr. [REDACTED] to you that you then forward to  
2 Mr. Larsen and others attaching the long-term  
3 Ripple fund term sheet, is that right?

4 A. Yes.

5 Q. Okay. So what is the long-term Ripple  
6 fund?

7 A. I'm not aware that the long-term Ripple  
8 fund was anything. It says it's yet to be formed,  
9 manager and detail legal structures to be  
10 determined by lawyers. I believe as the e-mail  
11 from Mr. [REDACTED] says, these are just thoughts.

12 Q. Okay. Was this fund something that you  
13 were discussing with Mr. [REDACTED]?

14 A. I'm sure I discussed this after he  
15 put -- discussed this with him after he put in the  
16 time to draft it, yes.

17 Q. Okay. So can you just explain to me  
18 what this fund -- well, strike that.

19 Did this fund ever come to be?

20 A. Not to my knowledge.

21 Q. Okay. What -- what was supposed to be  
22 the structure of this fund that you were  
23 discussing with Mr. [REDACTED] both before and after  
24 this -- this document?

25 MR. GULAY: Objection to form.

1           A. I recall that Mr. [REDACTED] had a general  
2           desire to form some entity that would allow third  
3           parties to get exposure through his entity to the  
4           price of XRP. I think he shares a lot of thoughts  
5           in this attachment which I viewed in draft form  
6           for discussion purposes.

7           Q. And was Ripple interested in pursuing  
8           such a fund with [REDACTED]?

9                     MR. GULAY: Objection;

10           foundation.

11           A. Based on my recollection, I would -- of  
12           general circumstances at the company at the time,  
13           I think the company would have been happy to have  
14           a third party create an entity that purchases a  
15           lot of XRP.

16           Q. And why is that?

17           A. Because it would have allowed the  
18           company to monetize assets on its balance sheet.

19           Q. And would it also -- would it also allow  
20           the company to monetize -- monetize assets on its  
21           balance sheet without some of the liquidity issues  
22           that you have discussed surrounding OTC sales?

23                     MR. HORTON: Objection to form.

24                     MR. GULAY: Objection.

25           A. That would depend on the details, which

1 are unknown in this hypothetical discussion.

2 Q. Okay. As -- as you -- did the  
3 discussions with Mr. [REDACTED] continue after this  
4 document that we're looking at in PR-52?

5 A. I believe Mr. [REDACTED] had an ongoing  
6 relationship with Ripple that extended beyond  
7 this -- this e-mail.

8 Q. So what would the benefit to Ripple be  
9 of having a third party like this fund buy its XRP  
10 versus the other distribution strategies that  
11 we've talked about today, like the OTC sales or  
12 the giveaways?

13 MR. GULAY: Objection.

14 MS. BUNTING: Objection.

15 MR. GULAY: Calls for  
16 speculation.

17 A. Whether it would be beneficial or not  
18 would depend largely on the details, which are  
19 unknown.

20 MR. TENREIRO: Just so you know,  
21 Erol, the -- the missing page is called  
22 "Attachment 2" and it's a blank page.

23 MR. GULAY: Okay.

24 MS. STEWART: Thank you.

25 Okay. Can we look at 51 next,

1 please?

2 (Whereupon, exhibit is presented  
3 and marked SEC Rapoport Exhibit PR-51 for  
4 identification.)

5 MS. STEWART: PR-51 is Bates  
6 numbered [REDACTED] 1955. It's a one-page  
7 document.

8 (Pause)

9 THE WITNESS: I've -- I've  
10 reviewed this.

11 BY MS. STEWART:

12 Q. Okay. Looking at Mr. [REDACTED] e-mail to  
13 you at the bottom of the page, he says "As I  
14 think" -- "As I think through the utility of XRP,  
15 a stable XRP and a more liquid XRP promotes  
16 business."

17 Do you see that?

18 A. Yes.

19 Q. Do you agree with that statement?

20 A. I find that to be an unclear statement,  
21 unclear sentence. Promotes what business?

22 Q. Okay. So you don't have an opinion  
23 about that sentence?

24 A. What do you understand "promotes  
25 business" to mean here? Then maybe I can answer

1 if I think it's true.

2 Q. Well, I can't -- I can't provide  
3 answers, so it's just your understanding of -- do  
4 you have an understanding of what he means in this  
5 sentence?

6 A. I don't understand what that means.

7 Q. Okay.

8 A. So it's difficult for me to say if it's  
9 true.

10 Q. Okay. Then a couple of paragraphs down,  
11 Mr. [REDACTED] says "Lastly, if Ripple Labs is in the  
12 market stabilizing XRP, it looks bad and is an  
13 excuse for others to criticize Ripple. But if a  
14 third party buys on behalf of institutions, then  
15 no one says nothing."

16 Do you see that?

17 A. I do.

18 Q. Okay. Do you agree with Mr. [REDACTED]  
19 statement?

20 A. I think this statement reflects Mr.  
21 [REDACTED] thoughts and not the thoughts of anyone at  
22 the company and certainly not my thoughts.

23 Q. Okay. Do you agree that if -- if Ripple  
24 Labs is in the market stabilizing XRP, it looks  
25 bad?

1 MR. GULAY: Objection.

2 A. I would certainly perceive it negatively  
3 as a third party if I was aware that Ripple Labs  
4 was in the market stabilizing XRP.

5 Q. Was one of the goals of this fund that  
6 was being discussed with Mr. [REDACTED] to stabilize the  
7 price of XRP?

8 MR. GULAY: Objection.

9 A. Mr. [REDACTED] is clearly sending  
10 unsolicited -- his unsolicited thoughts about this  
11 topic, but it was not a goal of Ripple Labs to  
12 have him do that.

13 Q. And when -- when you respond  
14 "Exactly - the fund can be as big as it wants to  
15 be," and then you go on to say "RL will want to  
16 supply the majority of it, but if the fund has  
17 more demand than RL wants to provide, that's not  
18 necessarily a problem," do you see that?

19 A. Yes.

20 Q. What's -- why -- well, first of all, RL  
21 here refers to Ripple Labs?

22 A. Yes.

23 Q. Okay. And when you say "Ripple Labs  
24 will want to supply the majority of it," meaning  
25 the fund, what is that statement based on?

1           A.    I must have been making an assumption  
2    about a dollar amount that the fund would be  
3    interested in purchasing and making an assumption  
4    that Ripple Labs would be interested in supplying  
5    the majority of that dollar amount.

6           Q.    Did you -- did you discuss that with  
7    anyone at Ripple?

8           A.    I don't recall the specific  
9    circumstances surrounding this e-mail exchange.

10          Q.    Why did Ripple want to supply the  
11   majority of the XRP for this fund?

12                   MR. GULAY:  Objection.

13          A.    Again, I don't remember the specific  
14   circumstances surrounding this e-mail exchange,  
15   but I can presume that Ripple's interested in  
16   getting XRP off its balance sheet and getting  
17   dollars on to its balance sheet.

18          Q.    Okay.

19                   MS. STEWART:  Can we look at  
20   PR-65 next?

21                           (Whereupon, exhibit is presented  
22   and marked SEC Rapoport Exhibit PR-65 for  
23   identification.)

24                           (Pause)

25                   THE WITNESS:  Okay.  I've -- I've

1 reviewed this.

2 BY MS. STEWART:

3 Q. Do you remember receiving this e-mail  
4 from Mr. [REDACTED] in December 2014?

5 A. I -- I don't remember this e-mail, but  
6 I'm looking at it and, you know, I was a party to  
7 it.

8 Q. Okay. Do you recall having discussions  
9 about the issues reflected in the e-mail with  
10 Mr. [REDACTED]?

11 A. I don't remember specifically discussing  
12 these issues with Mr. [REDACTED], but I do remember that  
13 these were issues that were considered at various  
14 times during my time with the company.

15 Q. Okay. Is -- is Mr. [REDACTED] here asking  
16 that Ripple get a legal opinion that XRP is not a  
17 security?

18 MR. HORTON: Objection to form.

19 A. In my recollection, Ripple did already  
20 have a legal memo that gave us comfort that XRP  
21 was not likely to be considered a security, and I  
22 believe we sought another one after this which  
23 said the same thing ultimately.

24 Q. Okay. And the legal memo that you're  
25 referring to that -- that Ripple already had, was

1 that from Perkins Coie?

2 A. I believe so, yes.

3 Q. Okay. Had you shared that legal memo  
4 with Mr. [REDACTED]?

5 A. Reading this e-mail, it would imply he  
6 had not seen it, but I don't recall if I shared it  
7 or not.

8 Q. Did you share that legal memo with  
9 Mr. [REDACTED] after you received this e-mail that's  
10 Exhibit PR-65?

11 MR. HORTON: Objection to form.

12 A. I apologize. I just don't remember  
13 seven years ago.

14 Q. After you received this e-mail, you  
15 sought another legal memo from another firm?

16 MS. ZORNBERG: Objection.

17 A. My recollection is that there was more  
18 than one law firm that helped us investigate this  
19 issue and came to the same conclusion, yes.

20 MR. GULAY: I'm sorry, just to --  
21 to pause again and caution you not to  
22 reveal the -- any discussions with outside  
23 counsel or the -- the outcome of any of  
24 your discussions with outside counsel or  
25 the conclusions of counsel.

1 THE WITNESS: Okay.

2 MS. ZORNBERG: I'd also like to  
3 take a break.

4 MS. STEWART: Okay.

5 MS. ZORNBERG: Is now a good time  
6 to take a short break?

7 MS. STEWART: That's fine.

8 THE VIDEOGRAPHER: Okay. Going  
9 off the record at 4:29.

10 (Whereupon, a recess is taken.)

11 THE VIDEOGRAPHER: On the rec --  
12 on the record, 4:45.

13 BY MS. STEWART:

14 Q. So, Mr. Rapoport, I think you told me  
15 before the break that you weren't sure whether you  
16 sent the Perkins Coe -- the Perkins Coie memo to  
17 Mr. [REDACTED] is that right?

18 A. Yes. I'm not sure one way or another.

19 Q. Okay. Why did you retain Paul Hastings  
20 to prepare a memo when you already had a memo from  
21 Perkins Coie?

22 MR. GULAY: Objection.

23 MR. HORTON: Objection.

24 MR. GULAY: Calls for privileged  
25 communications.

1                   You can answer to the extent it  
2                   won't reveal the substance of any  
3                   communications with outside counsel.

4           A.    I -- I don't believe I was ever the  
5           person at Ripple Labs engaging any lawyer or law  
6           firm.

7           Q.    Okay.

8                   MS. STEWART:  Can we -- can we  
9                   look at Exhibit 68, please?

10                   (Whereupon, exhibit is presented  
11                   and marked SEC Rapoport Exhibit PR-68 for  
12                   identification.)

13                   MS. STEWART:  And Exhibit 68 is  
14                   Bates numbered [REDACTED] 1803 to 05.

15                   (Pause)

16                   THE WITNESS:  I've reviewed this.

17   BY MS. STEWART:

18           Q.    And in the second e-mail in this chain,  
19           you're telling Mr. [REDACTED] "FYI, Paul Hastings is  
20           producing a memorandum for us which explains why  
21           we don't believe XRP is a security.  ETA equals  
22           January 23rd."

23                   Do you see that?

24           A.    I do.

25           Q.    Okay.  Did Ripple retain Paul Hastings

1 to produce a memorandum in response to Mr. [REDACTED]  
2 request?

3 MR. HORTON: Objection.

4 MR. GULAY: Objection. The --  
5 the reason why Ripple retained Paul  
6 Hastings would be privileged.

7 MS. STEWART: Well, let -- let's  
8 start chronologically.

9 BY MS. STEWART:

10 Q. Did Mr. -- did -- did Ripple retain Paul  
11 Hastings to produce a memorandum after Ripple  
12 received Mr. [REDACTED] e-mails in December and  
13 January that we've looked at?

14 MR. HORTON: Objection to form;  
15 foundation.

16 A. I don't know when Ripple retained Paul  
17 Hastings.

18 MS. STEWART: Okay. And your --  
19 your position, Erol, is that the reason  
20 that Ripple retained Paul Hastings is  
21 privileged?

22 MR. GULAY: Yes, the -- the  
23 purpose of the legal advice sought from  
24 Paul Hastings would be privileged.

25 MS. STEWART: So even -- even

1 the -- the purpose that you would put on a  
2 privilege log, like the "re" line of the  
3 engagement, you're saying is privileged?

4 MR. GULAY: Well, first, I don't  
5 know if Mr. Rapoport would know that.

6 Second, you know, yes, we  
7 would -- we would assert that, you know,  
8 the -- the legal advice that was sought  
9 from Paul Hastings is obviously  
10 privileged.

11 MS. STEWART: And -- and your  
12 position doesn't change with -- with the  
13 fact that the legal advice received from  
14 Paul Hastings was ultimately provided to a  
15 third party?

16 MR. GULAY: Well, I guess -- can  
17 you clarify for us what questions you are  
18 asking about?

19 MS. ZORNBERG: Hold on. Can I --  
20 can I interject?

21 MR. GULAY: Yes.

22 MS. ZORNBERG: We've produced to  
23 you the Paul Hastings memo.

24 MS. STEWART: Uh-huh.

25 MS. ZORNBERG: You have that.

1           You can ask questions about that. But  
2           beyond the memo itself, if you're asking  
3           this witness -- and I don't know if he has  
4           any information even to give you in  
5           response. If you're asking him about  
6           conversations he had or Ripple or Paul  
7           Hastings, those do go to privilege. I  
8           think you should just take it question by  
9           question.

10                   MS. STEWART: So you would assert  
11           privilege over conversations even though  
12           the final product was -- was given to a  
13           third party? I'm just trying to make that  
14           clear.

15                   MS. ZORNBERG: Correct.

16                   MS. STEWART: Okay.

17                   MR. TENREIRO: And on the -- on  
18           the reasons, so, you know, I decide -- I  
19           wake up one morning and I say I need a  
20           lawyer because I'm in trouble, that's  
21           privileged? You're asserting privilege  
22           over that? Or are you saying someone told  
23           him to request a lawyer, that might be  
24           privileged?

25                   MS. ZORNBERG: This is too

1           hypothetical and it's well beyond what the  
2           witness himself has said, which is he  
3           doesn't know when Paul Hastings was  
4           retained by Ripple.

5                   MR. TENREIRO: I don't think it's  
6           hypothetical. She asked him why did you  
7           retain Paul Hastings? So you're --

8                   MS. ZORNBERG: And his answer was  
9           he doesn't know when Ripple Labs retained  
10          Paul Hastings. I think we have to do this  
11          question by question.

12                  MS. STEWART: Okay. Can we look  
13          at Exhibit 66, please?

14                   (Whereupon, exhibit is presented  
15          and marked SEC Rapoport Exhibit PR-66 for  
16          identification.)

17                  MS. STEWART: Exhibit 66 is Bates  
18          numbered RPLI\_SEC 96888 to 889.

19                   (Pause)

20                  THE WITNESS: Okay.

21          BY MS. STEWART:

22                  Q. Okay. Who is [REDACTED]?

23                  A. I'm not sure that I've ever spoken to

24          [REDACTED]. I can make a guess based on his  
25          e-mail signature.

1 Q. Do you have an understanding that he was  
2 representing [REDACTED]?

3 A. I don't know the nature of their  
4 relationship, but he appears to be a lawyer or  
5 works at a law firm.

6 Q. Okay. So in this e-mail, Mr. --  
7 Mr. [REDACTED] seems to be forwarding an e-mail to you,  
8 Mr. Larsen, and Mr. [REDACTED] from Mr. [REDACTED] where  
9 Mr. [REDACTED] says -- this is the second e-mail in  
10 the chain -- "We don't know of the SEC taking any  
11 position on the issue of whether a virtual  
12 currency is itself a security."

13 Do you see that?

14 A. I do.

15 Q. Okay. Do you recall discussing this  
16 e-mail from Mr. [REDACTED] with anyone at Ripple?

17 A. I don't remember discussing  
18 Mr. [REDACTED] e-mail with anybody.

19 Q. Okay. Do you recall seeing  
20 Mr. [REDACTED] e-mail at the time in January 2015?

21 A. I don't recall the circumstances around  
22 this e-mail, so, no, I don't recall seeing that  
23 e-mail or not.

24 Q. Okay. Are you familiar with an entity  
25 named GSR?

1 A. I am.

2 Q. Okay. What is GSR?

3 A. GSR is a market-making firm.

4 Q. Okay. And did GSR have a relationship  
5 with Ripple?

6 A. GSR had a similar relationship as the  
7 other market makers that I mentioned that  
8 provide -- provided market-making services and  
9 received compensation for it.

10 Q. Okay. Did you have any involvement in  
11 the GSR relationship?

12 A. I did.

13 Q. Okay. What was your involvement?

14 A. Similar to the other market makers, I  
15 was the introducing party bringing -- making them  
16 aware of Ripple and -- and working to formalize a  
17 relationship with the firm.

18 Q. Okay. So -- so you were the introducing  
19 party for GSR?

20 A. Yes.

21 Q. Okay. And when was that?

22 A. I don't recall the date, but it would  
23 have been sometime in 2013 or 2014 based on my  
24 recollection.

25 Q. And did you have a relationship with GSR

1 before you came to Ripple?

2 A. I knew some of the principals of GSR  
3 prior to my time at Ripple, yes.

4 Q. Okay. Was there any difference between  
5 GSR and other market makers in terms of the  
6 services they provided or the nature of their  
7 relationship with Ripple?

8 MR. GULAY: Objection to form.

9 MS. BUNTING: Objection.

10 A. Initially there was no material  
11 difference that I can recall, but over time, GSR  
12 provided additional services beyond what some of  
13 the other market makers were providing.

14 Q. And what were these additional services?

15 A. Programmatic selling of XRP.

16 Q. And what does that mean?

17 A. In this case, it refers to selling XRP  
18 in the public market as a percentage of volume, as  
19 a percentage of the overall markets volume.

20 Q. Okay.

21 MS. STEWART: Can we look at 45,  
22 please?

23 PR-45, Nicole.

24 (Whereupon, exhibit is presented  
25 and marked SEC Rapoport Exhibit PR-45 for

1 identification.)

2 MS. STEWART: And PR-45 is Bates  
3 numbered GSR 208 to 209.

4 (Pause)

5 THE WITNESS: Okay.

6 BY MS. STEWART:

7 Q. Okay. So in the bottom e-mail, which is  
8 on page 2 of this document, you -- you say "Per  
9 RL's request, GSR ( [REDACTED] is cc'd) has  
10 developed a bot that will provide" liquid --  
11 "liquidity as a market maker while net selling a  
12 specified percentage of overall XRP volume."

13 Do you see that?

14 A. I do.

15 Q. Is that what you were referring to a  
16 moment ago?

17 A. Yes.

18 Q. Okay. So what is a bot?

19 A. It's short for robot, but in this case  
20 refers to a software that places trades.

21 Q. Okay. And then you go on to say "The  
22 intent is to experiment with this as a more  
23 structured way to monetize XRP holdings rather  
24 than conducting OTC sales. This way we  
25 algorithmically control the market impact, rather